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INTERNATIONAL BRIDGES IN ONTARIO

VOLUME II

BACKGROUND MATERIALS



Economic Planning Branch

Federal-Provincial Affairs Secretariat

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1969

Policy Planning Division
Department of Treasury and Economics
October, 1969

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GENERAL LEGISLATION

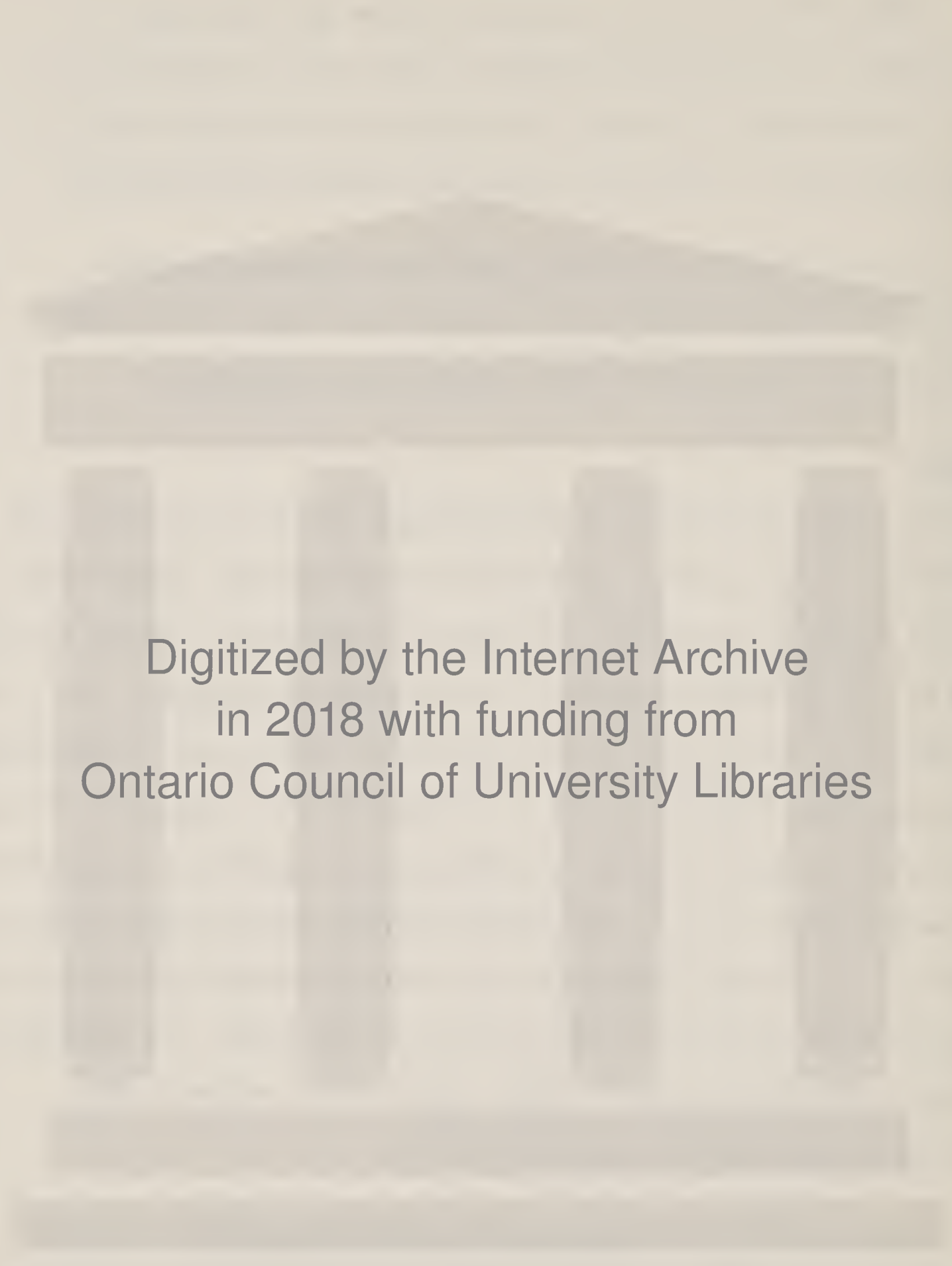
There are four levels of government that have some degree of responsibility for international bridges. These are: the Government of Canada, the Government of Ontario, the Government of the United States, and the Governments of the States of New York, Michigan and Minnesota.

At each level of government, there are a number of general legislative enactments dealing with international bridges. The section that follows will attempt to describe briefly this legislation.

1. Canada

There are a number of statutes of the Government of Canada which deal with international bridges. These statutes are not specifically related to any particular international bridge, but consist of sections of a number of acts related to transportation in general. An Act Respecting Bridges (R.S.C. 1952 c.20) applies to "every bridge and the approaches thereto, and the appliances or works appurtenant thereto, built or constructed by any company". If those bridges built by public authority or commission are included as "constructed by any company", then all the international bridges operate under the terms of this Act. It is mainly concerned with safety precautions and inspection privileges on the part of the Canadian Transport Commission. In compliance with these requirements, several annual reports of the various bridge authorities mention a yearly safety inspection.

Parts IV and V of the National Transportation Act (S.C. 1966-67 c. 69), are also concerned with this subject. Part IV, entitled "Bridges", consists of amendments to the fore-mentioned Act Respecting Bridges and its details are not highly relevant to this study. However, Part V, entitled "Railway, Telegraphs and Telephones", states:



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The Commission [Canadian Transport Commission] has jurisdiction and control over tolls to be charged in respect of the use of pedestrian, vehicular, tramway, street railway, or other like traffic on, over, across or through any international bridge owned or operated by any company, and all provisions of this Act relating to telegraph and telephone tolls and tariffs, insofar as the Commission deems them applicable, extend and apply to tolls charged in respect of such international bridge traffic (provided they are open to the public).

The Act requires that tariff and toll structures must be just and reasonable, without undue discrimination, and must be submitted to the Commission. The Commission may suspend, postpone, or disallow any tolls, and has general powers over any tolls, traffic and tariffs not specifically mentioned.

There is also Canadian legislation and orders-in-council incorporating individual bridge authorities and stating the responsibilities with which these authorities are charged. This legislation will be dealt with in the section on individual bridges.

2. Ontario

The Government of Ontario has enacted the Toll Bridges Act, (R.S.O. 1960, c.401), which includes international bridges. It states that the Lieutenant Governor-in-Council has jurisdiction with respect to any international bridge or tunnel, regarding the level of tolls to be charged, the collection of tolls, and the establishment of bridge authorities "either alone or in conjunction with any Canadian or foreign authority".

This Act also states that the Minister of Highways may :

enter into agreements with any Canadian or foreign authority for the joint financing, construction or operation of any international bridge or tunnel or for any matter incidental thereto.

The provisions of this Act are thus potentially in conflict with the corresponding Canadian legislation.

In addition Ontario has enacted specific legislation in respect of particular international bridges. These are dealt with in the analysis of each bridge in the next section of this report.

3. The United States

The U.S. Federal Government has passed two Acts which are generally related to international bridges. In March of 1906, an Act To Regulate The Construction Of Bridges Over Navigable Waters was passed. It includes various conditions for free rights of passage of mail, troops and munitions, and states that any tolls for other traffic must be just and reasonable. Any such bridge must not obstruct navigation and the U.S. Government has the right to construct telegraph and telephone lines thereon. Unless otherwise specified, the construction of any bridge must be commenced within one year, and completed within three years of authorization. This general legislation is relevant to all international bridges because compliance with its terms is often a condition of the specific legislation authorizing the construction of an individual international bridge.

The General Bridge Act of 1946 states:

After a sinking fund sufficient for amortization shall have been so provided such bridge shall thereafter be maintained and operated free of tolls.

Although this Act does not purport to authorize the construction of international bridges, it could be construed that an international bridge authorized by other legislation would be subject to the conditions of this Act. This would imply that the U.S. Government favours a policy of toll-free international bridges after the retirement of corporate debt. A letter dated July 31, 1969, from the U.S. Federal Highway Administrator states: "With

respect to toll facilities, Congress has established the general policy that roads and bridges constructed with the assistance of Federal funds be toll-free. That policy is embodied in section 301 of title 23 of the United States Code."

4. New York, Michigan and Minnesota

New York legislation includes one Consolidated Act (Laws of New York, 1939, c. 870), which is a consolidation of the various acts creating public authorities and commissions. Of the acts included, the only one dealing with an international bridge concerned the Thousand Islands Bridge. Other New York international bridges have been authorized by various federal agencies such as the St. Lawrence Seaway Corporation and the U.S. Congress.

The Michigan Legislature has established two bridge commissions, the Michigan "State Bridge Commission" (Blue Water Bridge) and the "International Bridge Authority" (Sault Ste. Marie International Bridge). Both these commissions have responsibility for operating and maintaining the respective bridges. The enabling legislation contains many references to the construction and operation of each bridge and as such will be dealt with in discussions of the individual bridges.

Section 165-08 of Minnesota's Bridges Act (1961) concerns international bridges. This section states that Minnesota may enter into agreements with foreign countries if the U.S. Government has authorized an international bridge. A subsection goes on to state that:

such bridges may be operated as free bridges, or as toll bridges, and if the latter, tolls may be collected thereof at rates sufficient to liquidate the capital costs thereof in a reasonable length of time.

Another Minnesota Act provides that Minnesota, through the State Trunk Highway Fund, may purchase an international bridge from a Minnesota municipality with or without an agreement from the adjoining provinces or nation (see Baudette-Rainy River International Bridge).

ANALYSIS OF INDIVIDUAL BRIDGES

1. The Seaway International Bridge

Statutes: In 1930, the Cornwall International Bridge Company was established by an Act of Parliament. ⁽¹⁾ This Act authorized it to construct, maintain, and operate any international bridges (there were more than one) in the vicinity of Cornwall Island. No specific details could be found with regard to these bridges. In 1951, the St. Lawrence Seaway Authority Act ⁽²⁾ authorized the Seaway Authority to acquire these international bridges. It did this, holding 50% of the shares in trust for the St. Lawrence Seaway Development Corporation of the United States. At present, the Cornwall International Bridge Company is defunct, and the Seaway Authority has constructed a new international crossing in accordance with the powers granted it in the June 1956 amendment to the Seaway Authority Act. ⁽³⁾

Authorities: As indicated above, the authorities responsible for this bridge are the St. Lawrence Seaway Authority of Canada and the St. Lawrence Seaway Development Corporation of the United States. The Governor-in-Council appoints the members to the board of the St. Lawrence Seaway Authority of Canada for a period of not more than ten years.

Tolls: According to the 1956 amendment, the Seaway Authority is authorized to levy tolls sufficient to cover the cost of operation and reasonable amortization, subject to the approval of the Minister of Transport. Alternatively, tolls may be set by agreement between Canada and the United States. ⁽⁴⁾

Municipal Involvement: Grants are paid by the Seaway Authority in lieu of municipal taxes.

FUTURE VESTMENT: The legislation makes no reference to the future vestment of the bridge; the implication is that it will remain the responsibility of the Seaway Authority.

Ontario Involvement: No Ontario involvement is evident.

Financial Data:

Fixed Assets:

Equipment at Cost	\$ 58,666
Accumulated Depreciation	42,997
Depreciation 1968	4,324

The net income of the Corporation for the year ending December 31, 1968 was \$161,876. This is payable to the St. Lawrence Seaway to be applied towards the amortization of the cost of the North Channel Bridge, together with interest, leaving an unamortized balance of \$10,394,837 at December 31, 1968, compared with an unamortized balance of \$10,052,902 at December 31, 1967.

Liabilities:

Long Term

Notes Payable (Interest free)	34,000
Debentures (Interest free)	8,000

Capital Stock

8 shares of 50 authorized at \$1,000	8,000
--------------------------------------	-------

Income:

Tolls	448,466
Other	<u>17,805</u>
Total	466,271

Expenses:

Operating and Maintenance (including resurfacing North Channel Span for \$62,806)	284,580
Grant in lieu of Municipal Taxes	15,591

Depreciation	4,324
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Balance of net income payable to St. Lawrence Seaway Authority	\$ 161,776
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Tolls:

Automobile and Passengers	.60
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- (1) S.C. 1930, c.55.
- (2) R.S.C. 1952, c.242
- (3) S.C. 1956, c.11 and c.47.
- (4) R.S.C. 1952, c.242, S.17.

2. The Prescott-Ogdensburg Bridge

Statutes: On June 3, 1939, the Prescott and Ogdensburg Bridge Company was incorporated by an Act of Parliament. (1)

However, the Company never exercised its right to construct an international bridge. In 1952, another Act was passed incorporating the Ogdensburg Bridge and Port Authority.

(2) The corporation consisted of seven residents of Ogdensburg and two of Ottawa. The bridge was constructed some time between 1955 and 1960. The Authority was also given sanction in the United States when similar legislation was passed by Congress in 1950 (3) and re-enacted in 1953. (4)

Authorities: The body responsible for this bridge is the Ogdensburg Bridge and Port Authority, Administration Building, Ogdensburg, New York. According to D.H.O. files, the executive director and the nine members of the Authority are all appointed by the county in which Ogdensburg is located.

Tolls: Subject to provisions of the National Transportation Act of Canada and any applicable New York State laws, the Authority may regulate and levy tolls for transit over the Prescott-Ogdensburg Bridge.

Municipal Involvement: In Canada, the Authority may not construct or operate any works for which it is federally or provincially authorized until it has obtained the consent by by-law from the municipality having jurisdiction over the area. Failing such consent within sixty days of the request, the Authority may carry out operations only under terms fixed by the Canadian Transport Commission for that specific situation.

Future Vestment: Upon retirement of the Authority's corporate obligations, bridge properties located within the United States are to be conveyed to the State of New York or its designate, and properties located in the Dominion of Canada are to be conveyed to Canada or the Governor-in-Council's designate. According to the general manager of the Authority, an agreement exists whereby

the Province of Ontario shall take over the Canadian portion of the bridge upon retirement of the debt.

Ontario Involvement: As stated above, an agreement whereby Ontario becomes the designate and receiver of the Canadian portion of the bridge is believed to exist. The only other Ontario involvement has been the widening of highway 16 by the Ontario Department of Highways in the vicinity of the bridge approach to accomodate the increased traffic.

Financial Data:

Fixed Assets:

Book Value	\$ 17,794,698.11
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Fixed Liabilities:

Due State of New York	18,953,806.63
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Appropriation Expenditure	
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Bridge

Cost	17,430,819.05
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Depreciation 1%	174,308.19
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Accumulated Depreciation	1,430,961.40
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Net Book Value	15,999,857.65
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All Fixed Assets

Cost	19,644,728.20
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Depreciation 1968	225,204.44
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Accumulated Depreciation	1,850,030.09
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Net Book Value	17,794,698.11
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Income

Tolls	354,705.18
-------	------------

Other	85,195.25
-------	-----------

Expenditures

Maintenance & Operation

\$ 276,180.65

No. of Crossings

316,284 vehicles

Toll Rate

Automobile & Passengers

\$ 1.50 One Way
2.00 Round Trip

- (1) S.C. 1939, c.55.
- (2) S.C. 1952, c.57.
- (3) U.S. Statutes, 1950, 64 c.764.
- (4) U.S. Statutes, 1953, 67 c.480.

3. The Thousand Islands Bridge

Statutes: In 1933 ⁽¹⁾ and 1934 ⁽²⁾ Acts of Parliament were passed authorizing and incorporating the Thousand Islands Bridge Company to build and operate an international bridge. A 1935 amendment ⁽³⁾ to the 1934 Act specified that construction of the bridge was to begin by 1938 and was to be concluded by 1941. In 1936, Ontario legislation ⁽⁴⁾ was passed exempting the Bridge Company from all municipal taxation of the township of Leeds and Lansdowne (Front) for a period of ten years from the date of completion, i.e., until about 1951. In 1939, the Laws of New York, ⁽⁵⁾ amended in 1946 ⁽⁶⁾, created the Thousand Islands Bridge Authority empowering it to construct, maintain and operate the said bridge. The Canadian Company transferred all its rights and powers to the Authority authorized by New York State. At present it is this Authority which is responsible for the management of the bridge.

Authorities: Since 1939 the Thousand Islands Bridge Authority of Collins Landing, Alexandria Bay, N.Y. has been responsible for the bridge. The five members of the Authority are appointed by the chairman of the Jefferson County Board of Supervisors, subject to that Board's approval.

Tolls: The Authority may levy tolls subject to the approval of the Canadian Transport Commission. There is also Ontario legislation which states that the approval of the Lieutenant Governor-in-Council must also be sought with regard to tolls.

Municipal Involvement: Bridge construction is subject to the consent of the Ontario municipality of Ivy Lea. Failing such consent within sixty days of request, construction may take place subject to the provisions of either the Canadian Transport Commission or the Ontario Municipal Board. The Thousand Islands Bridge Company was exempted from municipal taxation for a period of ten years from the date of completion. The present Authority pays a grant to local municipality in lieu of property taxes.

Future Vestment: All properties of the Authority within the United States shall be conveyed to the county of Jefferson of the State of New York upon retirement of the Authority's debt. Properties within Canada shall be conveyed to the Province of Ontario.

Ontario Involvement: The Province of Ontario is designated as recipient of the Canadian portion of the bridge upon retirement of the financial obligation. Also, the Department of Highways of Ontario maintains the roadways connecting the bridge to Highway 401.

Financial Data:

Fixed Assets	\$ 4,464,935.20
Funded Debt Outstanding	527,000.00
Statutory Equity	4,212,287.60
Expenses	
Maintenance & Operation	302,618.57
General (Administrative)	287,927.48
Total	\$ 590,546.05
Toll Revenues	923,212.00
Auxiliary Agencies (including cattleyard)	
Income	19,986.45
Expenses	88,489.87
(\$ 67,397.95 is other expenses)	
Capital Costs	
(Interest payment)	11,741.00

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- (1) Stats. Ont., 1933, c. 101.
 - (2) S.C. 1934, c.66.
 - (3) S.C. 1936, c.53.
 - (4) Stats. Ont., 1936, C.73.
 - (5) Laws of New York, 1939, c.870.
 - (6) Laws of New York, 1946, c.738.

4.

The Niagara Falls Bridge Commission

This bridge commission is responsible for the operations of the Rainbow Bridge, the Queenston-Lewiston Bridge, and the Whirlpool Rapids Bridge.

Statutes: A 1938 Joint Resolution of Congress, ⁽¹⁾ amended in 1949, ⁽²⁾ incorporates the Niagara Falls Bridge Commission and authorizes it to construct, maintain and operate the Rainbow Bridge subject to the approval of Canadian authorities, and to purchase any bridges over the Niagara River situated north of Niagara Falls.

The Ontario Rainbow Bridge Act of 1941 ⁽³⁾ provides for future vestment and for municipal compensation with respect to the Rainbow Bridge. In 1959, the Queenston Bridge Act ⁽⁴⁾ was passed by the Parliament of Canada authorizing the Province of Ontario to demolish the old Queenston Heights Bridge and construct the new Queenston-Lewiston Bridge. The latest piece of legislation concerning these bridges is the Ontario Whirlpool Rapids Act of 1967, ⁽⁵⁾ providing for compensation to Niagara Falls due to loss of taxation revenue.

Authorities: The Niagara Falls Bridge Commission of Niagara Falls, Ontario, is presently responsible for the three bridges. It is noteworthy that this Commission has been authorized by U.S. federal legislation and by Ontario legislation. However, no Canadian federal legislation either authorizes or recognizes the Commission. This raises the question of whether or not the Commission has the constitutional right to carry out its activities in Canada.

Tolls: The 1938 U.S. legislation authorizes the Commission to levy tolls subject to the approval of either Ontario or Canadian federal authorities.

Municipal Involvement: Both the Rainbow and Whirlpool Rapids Bridges have been exempted from municipal taxation by Ontario legislation. In view of this, the Ontario Government has pledged an annual \$12,000 grant to the city of Niagara Falls to compensate for loss of taxation revenue from the Rainbow Bridge properties, and an additional \$36,000 annual grant for revenue losses from the Whirlpool Rapids Bridge. Both these grants are in effect until and including the year 1980.

Future Vestment: Upon retirement of the Commission's debt, properties of the Commission within Canada are to be conveyed to the Dominion of Canada or its designate. The Canadian portion of the Rainbow Bridge has already been designated to go to the Province of Ontario. Properties within the United States shall be conveyed to the State of New York. Two provisions attached to this future vestment are as follows:

- i) upon conveyance to the Canadian and U.S. authorities, the bridges shall remain toll-free and be maintained by the said authorities.
- ii) if any of the designated authorities defaults on the acceptance of their portion of the properties, the Niagara Falls Bridge Commission shall continue to own, operate, and maintain the bridges under a suitable toll.

Ontario Involvement: The Ontario Government has accepted the following obligations:

- i) to pay to the city of Niagara Falls annual provincial grants of \$48,000 until 1980 inclusive.
- ii) to maintain and operate the Canadian portion of the Rainbow Bridge on a toll-free basis upon retirement of the Bridge Commission's debt.
- iii) the Department of Highways of Ontario maintains the approaches to the three bridges, and leases extensive properties to the Commission at a nominal fee.

Financial Data:

Fixed Assets	
Acquisition Cost of Bridges	\$ 23,982,866

Revenues:

Toll revenue	2,226,713
Other	157,086

Expenses

Collection, Operation &)	
Maintenance & General)	1,026,841

Capital Expense

Interest on Bonds	1,077,838
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Equity

Bridge Revenue Bond	
5 3/4% due Nov. 1, 2000	18,400,000

Toll Revenue:

Pedestrians	52,262
Automobiles, Trailers, Motorcycles	1,543,291
Buses	47,478
Taxis	32,847
Trucks	373,785
Commutation Bonds Sold	265,440
Token Envelopes Sold	131
Total	<u>2,315,234</u>

Deduct discount on conversion of money	88,521
	<u>2,226,713</u>

Traffic Statistics:

No. of:	
Pedestrians	545,589
Vehicles:	
Automobiles, Trailers, Motorcycles	4,821,495
Buses	37,148
Taxis	59,975
Trucks	234,945
Total	<u>5,153,563</u>

Passengers:

Automobiles, Trailers, Motorcycles and Trucks	11,646,157
Buses	427,571
Taxis	148,551
Total	<u>12,222,279</u>

Toll Rates:

Auto & Driver	.30
Extra Passengers	.10 each

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- (1) U.S. Statutes, 1938, c.490.
 - (2) U.S. Statutes, 1949, c.465.
 - (3) Stats. Ont., 1941, c.48.
 - (4) S.C. 1959, c.53.
 - (5) Stats. Ont., 1967, c.105.

5.

The Buffalo and Fort Erie (Peace) Bridge

Statutes: A Canadian Act of Parliament passed in 1923 ⁽¹⁾ incorporated the Buffalo and Fort Erie Public Bridge Company. Similar legislation passed by the U.S. Congress ⁽²⁾ in 1924 created the American counterpart to this company. The bridge must have been built sometime after 1925 when the two companies were amalgamated under the same name, the Buffalo and Fort Erie Public Bridge Company. ⁽³⁾ In 1934, under a reorganization and economizing program, the Buffalo and Fort Erie Public Bridge Authority was created by Parliament through an Act of Incorporation, ⁽⁴⁾ and was authorized to take charge of all activities formerly carried out by the Bridge Company. An amendment in 1957 ⁽⁵⁾ to the 1934 Act extends the Authority's powers until 1992.

Authorities: The Buffalo and Fort Erie Public Bridge Authority, sanctioned by both Canadian and U.S. federal legislation, operates this bridge. Five Canadian members of the Authority are appointed by the Governor-in-Council, and the five American members are appointed by the Governor of New York.

Municipal Involvement: The Bridge Authority pays municipal grants in lieu of taxation.

Tolls: The Authority may set tolls subject to the National Transportation Act.

Future Vestment: According to the 1934 and 1957 legislation, the properties of the Bridge Authority situated within the United States shall be conveyed to the State of New York upon retirement of the Authority's debt or on July 1, 1992, whichever is earlier. At the same time, bridge properties located within Canada shall be conveyed to Canada, or its designate.

Ontario Involvement: The Department of Highways of Ontario maintains the highway up to the approaches of the bridge. No other Ontario participation is evident.

Financial Data: (December 31, 1968)

Operating and Maintenance	\$ 1,316,945
Capital Costs	22,167
(Interest payments)	
Revenues, Gross	2,094,927
Automobiles, Cash	\$ 876,445
Books of Tickets	283,590
Truck Tolls	807,442
Bus Tolls	46,425
Subtotal	\$ 2,013,902
Rentals	<u>81,045</u>
Total	\$2,094,927
Total Fixed Assets	11,305,460
Remaining Funded Debt	757,000
(Retired by 1974)	
('69 principal and interest	\$135,859)
('70 " " " "	136,646)

Number of Vehicles

Autos	5,329,262
Trucks	37,138
Buses	317,259

Toll Structure:

Automobile, including passengers	.25
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- (1) S.C. 1923, c.74.
 - (2) U.S. Statutes, 1924, c.235.
 - (3) D.H.O. files, ca. 1961, p.6.
 - (4) S.C. 1934, c.63.
 - (5) S.C. 1957, c.10.

6.

The Ambassador Bridge

Statutes: The Canadian Transit Company was incorporated by an Act of Parliament in 1921 ⁽¹⁾. The Act was amended in 1922 ⁽²⁾ and 1927 ⁽³⁾. The Act and its amendments authorize this private company to construct a bridge over the Detroit River between Windsor and Detroit.

Authorities: The Detroit International Bridge Company, P.O. Box 447, Detroit, Michigan, is the company operating this bridge.

Tolls: The company is empowered to levy tolls, subject to the approval of the Canadian Transport Commission.

Municipal Involvement: The company must obtain the consent of the municipalities involved before carrying out any of its works. Failing such consent, the company may operate under conditions set by the Canadian Transport Commission. The company pays property taxes to the respective municipalities.

Future Vestment: No provisions for future vestment have been made, because of the private nature of the company.

Financial Data:

Fixed Assets

Property and Equipment

Land and Main Bridge Structures (Revalued downward by approx. \$14,000,000)	\$ 2,600,000
Bridge Property and Equipment (at cost)	892,612
Accumulated Depreciation	371,980
Depreciation 1968	18,657
Other Equipment	106,254
Accumulated Depreciation	73,853
Depreciation 1968	7,078

Total Assets (Depreciated) 5,342,920

Liabilities

Capital:

Common Stock (Issued and Reserved)	\$	660,000
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Additional Paid in Capital		1,762,738
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Retained Earnings		2,439,255
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Less:

Cost of Common Shares held in Treasury		164,800
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Revenues:

Tolls		3,996,264
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Rentals		122,310
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Interest and Miscellaneous		<u>81,175</u>
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		4,199,749
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Costs and Expenses

Operating Expenses		544,098
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Administrative Expenses		320,971
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Property etc., Taxes (other than Income)		759,106
--	--	---------

Depreciation		<u>26,021</u>
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Total	\$	1,650,196
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Income Taxes		1,309,000
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Net earning per share	\$	1.96
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Number of shares outstanding		633,448
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(1) S.C. 1921, c.57.

(2) S.C. 1922, c.56.

(3) S.C. 1927, c.81.

7.

The Detroit-Windsor Tunnel

Statutes: No legislation pertinent to this private facility was found.

The tunnel was opened in 1930.

Authorities: A private company, the Detroit and Canada Tunnel Corporation, whose headquarters are in Detroit, Michigan, owns and operates this tunnel.

Tolls: The private company sets its own tolls, subject to approval by the Canadian Transport Commission.

Municipal Involvement: The two municipalities of Detroit and Windsor donated grants for the construction of the tunnel.

Future Vestment: A condition of the municipal grants states that, in 1990, after 60 years of operation, the tunnel properties may be taken over by the municipalities without charge. (1)

Ontario Involvement: No Ontario Government involvement is evident.

Financial Data:

Fixed Assets:

Property, Plant and Equipment

Depreciable Property	\$ 6,546,861
Reserve for Depreciation	4,240,088
Depreciation 1968	132,119
Land, Easements, Intangibles (constant)	900,371
Amortization Fund	525,984
Amortization paid 1968	16,940

Total Assets:

(depreciated) 5,355,194

Liabilities:

Capital

Common Stock	3,967,734
issued 793,547	
treasury 66,356	

Surplus - Capital	\$	621,654
- Retained Earnings		1,241,328

Less Acquired Stock		
66,356 shares		928,984

Revenues:

Tolls	3,598,690
Bus Passengers	497,705
Interest and Dividends	85,155
Rental and Other	154,758
	<u>4,336,308</u>

Expenses:

Operations	1,001,821
Maintenance	336,627
Taxes (other than income)	683,034
subtotal	\$ 2,021,482
Depreciation and Amortization	<u>179,129</u>
	2,200,611

Dividends Declared	\$	945,276
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Revenue Vehicles and Passengers:

Revenue Vehicles (number)	5,529,924
Extra Passengers	4,934,730
Bus Passengers	2,178,794

Percent of Revenue Contributed by:

	%
Passenger Cars (60¢ cash)	45.2
Commutation Cars (45¢ ticket)	20.2
Bus Passengers (25¢ cash, 4 for 90¢)	11.5
Extra Passengers (10¢ each)	11.0
Commercial Vehicles (1¢/100 lbs.)	6.7
Miscellaneous (Rent, Dividends, etc.)	5.4

Bonds and debentures outstanding prior to July 1, 1939 are exchangeable for common stock. Company pays amounts equivalent to the accumulated dividends for July 1, 1939 to the date of exchange on such shares. The equivalent amount applicable to shares reserved for issuance at December 31, 1968 was \$197,192.

Breakdown of Toll Revenues

	%
Passenger Cars (cash 60¢)	33.4
Passenger Cars (ticket 45¢)	10.5
Extra Passengers (10¢ each)	7.7
Trucks (1¢/100 lbs.)	42.9
Miscellaneous	5.5

Total Number of Vehicles	3,581,067
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8. The Blue Water Bridge

Statutes: The St. Clair Transit Company was incorporated by an Act of Parliament in 1928⁽¹⁾. This Act authorized the Company to construct and operate a bridge across the St. Clair River from Point Edward, Ontario to Port Huron, Michigan. The Act was amended in 1930 and 1934 for the purpose of extending the dates set to begin construction. In 1936⁽²⁾, the Company sold its rights, properties and franchises for one dollar to the State Bridge Commission of Michigan, which had been created in 1935⁽³⁾. The bridge was constructed in 1937. In 1940, the Legislature of Ontario passed an Act regarding municipal taxation of the bridge⁽⁴⁾. A memorandum of agreement between Ontario and Michigan in 1937 stated that each of the parties would accept the section of the bridge on its territory and maintain it toll-free upon the retirement of the bridge's debt. When the construction bonds were retired in 1962, the Government of Ontario argued that it was not legally bound to accept half of the bridge since the memorandum of agreement with Michigan had not been ratified by the Government of Canada. As a result, the Canadian half of the bridge was taken over by the Government of Canada. A 1964 Act of Parliament created the Blue Water Bridge Authority⁽⁵⁾. Provisions were made for the United States to participate in this Authority, but no action has been taken by the Americans.

Authorities: The Michigan State Bridge Commission, is responsible for American half of the bridge. The Canadian portion of the bridge is governed by the Blue Water Bridge Authority, Bridge Street, Point Edward, Ontario. This Authority was created as an independent agency by the Federal government.

Tolls: The Blue Water Bridge Authority is authorized to charge tolls

sufficient to cover maintenance costs on the Canadian side only. The Michigan State Bridge Commission, in accordance with U.S. Federal policy, has not been able to charge any tolls since the retirement of the bonds in 1962.

Municipal Involvement: The Ontario legislation of 1940⁽⁴⁾ stipulates that the Ontario Government shall pay annually, from 1940 until the retirement of the debt, five thousand dollars to the municipality of Point Edward in lieu of taxes.

Future Vestment: The bonds for this bridge were retired in 1962 and the bridge was vested in the two authorities mentioned above. Any further vestment would require new legislation on the part of the Governments of Canada, the United States and Michigan.

Ontario Involvement: As regards vestment of the bridge, some disagreements arose before 1962. The 1936 Canadian Order-in-Council, ⁽²⁾ approving the company's sale of its rights, states that the approaches and portions of the bridge situated within Canada shall be conveyed to the Province of Ontario upon retirement of the bridge debt. But the lack of an agreement between Ontario and the Government of Canada stipulating that Ontario would accept the Blue Water Bridge has rendered this Order not binding on Ontario. Two agreements made among the State Bridge Commission of Michigan, the Michigan State Highway Commissioner, and the Ontario Minister of Highways in 1937 designate Ontario as recipient of the Canadian portions of the bridge, and state that it shall be maintained free of tolls. However, neither of these agreements was sanctioned by the Government of Canada, and so are not binding in international law. Discussions in the 1950's prior to the debt retirement were stalemated, with the result that the Canadian portion of the bridge was

conveyed to the Government of Canada rather than to Ontario.

Financial Data: None available.

- (1) S.C. 1928, c.64.
- (2) Order-in-Council, 1936, P.C. 3273.
- (3) Michigan Statutes, 1935, c.254.
- (4) Stats. Ont., 1940, c.2.
- (5) S.C. 1964, c.6.

9. The Sault Ste. Marie Bridge

Statutes: In 1935, the International Bridge Authority of Michigan was created⁽¹⁾ and authorized to build a bridge between Sault Ste. Marie, Michigan, and Sault Ste. Marie, Ontario. In 1940, U.S. Federal legislation⁽²⁾ confirmed the 1935 Michigan legislation. The U.S. legislation was amended in 1953⁽³⁾, 1956⁽⁴⁾ and 1959⁽⁵⁾ to extend the dates set for the beginning of construction.

A Canadian Act of Parliament, passed in 1955 and amended in 1957, incorporates the St. Mary's River Bridge Company and authorizes it to construct a bridge over the St. Mary's River between the two cities of Sault Ste. Marie⁽⁶⁾. In 1960, its rights and powers were transferred to the International Bridge Authority of Michigan. At that time the Ontario Legislature⁽⁷⁾ authorized the Treasurer of Ontario to purchase the securities of the International Bridge Commission, and the shares of the St. Mary's River Bridge Company and the International Transit Company. The Bridge was built between 1960 and 1965.

Authorities: The International Bridge Authority of Michigan, based in Sault Ste. Marie, Michigan, and operating under the laws of the State of Michigan operates the Sault Ste. Marie International Bridge. Three members of the Authority are appointed by the Governor of Michigan, and two are appointed by the Government of Ontario.

Tolls: The Bridge Authority is empowered to levy and fix the rate of tolls, subject to approval by the proper Canadian and American authorities. Upon retirement of the bonds or the establishment of a sinking fund, the bridge is to be maintained free of tolls.

Municipal Involvement: No municipal involvement is evident.

Future Vestment: The Canadian Act of 1955 and its amendments provide for conveyance of the American and Canadian portions of the bridge property to

State of Michigan and the Government of Canada respectively, or their designates.

Ontario Involvement: The Province of Ontario bears a public debt of \$7,850,000 in Series B 6% bonds. The matter of refinancing the bridge is under study at present.

Financial Data:

Assets:

Bonded Debt and Sinking Fund amount to be provided from future operations for retirement of revenue bonds outstanding	\$ 15,519,000.00
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Liabilities:

Revenue bonds to Mature Sept. 1, 2000	
Series A 5% primary bonds	7,669,000.00
Series B 6% secondary bonds	<u>7,850,000.00</u>
	15,519,000.00

Revenues:

Tolls	927,754.40
Bus Service	16,871.43
Interest	21,897.37
Rental	<u>2,403.00</u>
Total	968,926.20

Expenses:

Operation and Maintenance	361,492.04
Insurance	<u>20,668.23</u>
Subtotal	\$ 382,160.27
Bus Operation	20,906.86
Total	403,067.13

	Number	Revenue
Vehicle crossings	785,695	\$ 965,411.65

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- (1) Michigan Statutes, 1935, c.254, (201-214)
 - (2) U.S. Statutes, 1940, c.929.
 - (3) U.S. Statutes, 1953, c.252.
 - (4) U.S. Statutes, 1956, c.284.
 - (5) U.S. Statutes, 1959, public law no. 86-312.
 - (6) S.C. 1955, c.64.
 - (7) R.S.O. 1960, c. 106.

10.

The Pigeon River Bridge

Statutes: In 1945, the U.S. Congress authorized the Minnesota Department of Highways to construct a bridge across the Pigeon River below High Falls ⁽¹⁾. This legislation was re-enacted in 1957 ⁽²⁾. In 1959 the Canadian Parliament authorized the Province of Ontario to build this same bridge ⁽³⁾. As a result, the Minnesota and Ontario Departments of Highways jointly constructed the Pigeon River Bridge.

Authorities: The Minnesota Department of Highways and the Ontario Department of Highways administer this bridge.

Tolls: There are no tolls.

Municipal Involvement: None is evident.

Future Vestment: No provision has been made. The above-mentioned authorities shall continue to administer the bridge provided no legislative changes are made.

Ontario Involvement: The Ontario Department of Highways is responsible for the Canadian portion of the bridge.

Financial Data:

Operation & Maintenance

1967-68	\$	411.24	
1968-69	\$	3,023.16	(Includes painting of bridge)

No Tolls

No Statement of Assets & Liabilities

No. of Vehicles:

1967- 310,250

Building of New Bridge	\$	326,362.00
Removal of Old Bridge		5,843.00
Installation of New Bridge (Total)	\$	<u>332,205.00</u>

- (1) U.S. Statutes, 1945, c.134.
- (2) U.S. Statutes, 1957, public law no. 85-113.
- (3) S.C. 1959, c.51

11.

The International Falls Bridge

Statutes: In 1905, the Canadian Parliament passed an Act ⁽¹⁾ incorporating the International Bridge and Terminal Company, and authorizing it to build a bridge from Fort Frances, Ontario, to International Falls, Minnesota.

The bridge was built shortly after 1905. In 1958, the Minnesota Department of Highways was authorized ⁽²⁾ to construct a new bridge across the Rainy River, but reciprocal Canadian legislation was not forthcoming, and so the bridge was not built.

Authorities: The private International Bridge and Terminal Company, which is owned by the Ontario Minnesota Pulp and Paper Company, operates the Canadian side of this bridge. The American side is managed by the Minnesota, Dakota, and Western Railway Company. Both these companies are subsidiaries of the Boise Cascade Corporation of Idaho.

Tolls: The directors of the companies may set tolls subject to U.S. legislation and the approval of the Canadian Transport Commission.

Municipal Involvement: No municipal involvement is evident.

Future Vestment: There are no provisions for vestment.

Ontario Vestment: The Ontario Government is not involved.

Financial Data: None Available.

(1) S.C. 1905, c.108.

(2) Minnesota Statutes, 1958, public law no. 85-568.

12.

The Baudette-Rainy River Bridge

Statutes: The Village of Baudette, Minnesota, was authorized⁽¹⁾ to build and operate a toll bridge over the Rainy River from Baudette to Rainy River, Ontario. This Act was revised in 1955 and amended in 1957 to extend the dates for beginning construction⁽²⁾. Also in 1955, the Baudette and Rainy River Municipal Bridge Company was incorporated in Canada⁽³⁾, but soon after transferred its rights and properties to the Village of Baudette. In 1965, the Statutes of Minnesota authorized the State of Minnesota to purchase international bridges from Minnesota municipalities (the Baudette-Rainy River Bridge was specifically mentioned). The bridge was financed by revenue bonds issued by the Baudette Village Council; it was built between 1958 and 1960.

Authorities: At present the Village of Baudette Council owns and operates the bridge.

Tolls: The Village of Baudette may charge tolls subject to U.S. and Canadian laws.

Municipal Involvement: There is no municipal involvement on the Canadian side.

Future Vestment: Upon the retirement of the bridge debt, the U.S. portion of the bridge reverts to the State of Minnesota or its designate, and the Canadian portion to the Dominion of Canada or the designate of the Governor-in-Council.

Ontario Involvement: The Government of Ontario is concerned about the plans of the State of Minnesota to buy the bridge from the Village of Baudette, as an American state would then own property in Ontario.

Financial Data:

Fixed Assets:	\$ 1,278,715.68
Long Term Liabilities:	
Series A	135,000.00
Series B	1,196,000.00

Income:	
Tolls	\$ 100,290.75
Rents	<u>6,000.00</u>
Total	106,290.75
Operating and Maintenance	32,883.44
Capital Costs:	
(Bond Interest)	56,762.29
Series A Bonds Retired	<u>5,000.00</u>
Depreciation Rate - 1%	
Depreciation Expense 1968	
\$ 12,790.80	
Depreciated Balance	
\$ 1,173,824.10	
Depreciated Reserve	104,891.58
Toll Structure:	
Auto & Driver	\$ 1.25
Extra Passengers	.10
Auto-trailer 3-axle (with driver)	2.00
Auto-trailer 4-axle (with driver)	2.00
Vehicular Traffic (number)	219,159

- (1) U.S. Statutes, 1950, c.11143.
- (2) U.S. Statutes, 1957, public law no. 85-106.
- (3) S.C. 1955, c.61.
- (4) Minnesota Statutes, 1965, c.167-521.

SUMMARY OF FINANCIAL DATA

Bridge Authority	Capital Expense	Operation and Maintenance ¹	Revenue	Revenue Less Operation and Maintenance ²	Notes Payable	Fixed Assets	Toll (Basic Unit)	Traffic No. of Vehicles	Date (Projected) Bridge Free
Way International Bridge	503,811	234,580	446,271	161,691	10,394,837	8,574,792	Auto & Pass. .60	n.a.	Debt increasing
Washington-Prescott Bridge	n.a.	276,180	439,900	163,719	18,953,806	19,644,728	Auto & Pass. 1.50	316,234	Dep. at 1%
Harwood Islands Bridge	11,741	590,546	923,212	332,665	527,000	4,464,935	Auto & Pass. 1.00	1,124,212	n.a.
Waynes Falls Bridge Construction (3 Bridges)	1,077,833	1,086,841	2,383,805	1,356,964	18,400,000	23,982,866	Auto & Driv. .30 Pass. .10	5,153,563	Nov. 1, 2000
Buffalo-Toni Erie Bridge	22,167	1,316,945	2,094,927	777,982	757,000	11,305,460	Auto & Pass. .25	5,683,659	1974
Ambassador Bridge	-	1,624,175	4,199,749	2,575,574	-	3,598,866 (+14,000,000)	Auto & Driv. .60 Pass. .10	3,581,067	Private Company
Petrolit-Hindson Tunnel	-	1,634,855 336,627	4,336,308	2,314,826	-	7,447,232	Auto & Driv. .60 Pass. .10	5,529,924	Private Company
Blue Water Bridge	-	n.a.	300,000 ⁴	n.a.	n.a.	n.a.	Auto & Pass. .25	2,380,439	1962
Paula St. Marie Bridge	855,150 ³	403,067	986,926	583,859	15,519,000	15,502,934	Auto & Pass. 1.25	785,695	Sept. 1, 2000
St. Lawrence River Bridge	-	3,023	-	(3,023)	-	326,362	No Toll	310,250	As of date of construction

Bridge Authority	Capital Expense	Operation ¹		Revenue Loss		Notes Payable	Fixed Assets ²	Toll		Date (Projected)
		and Maintenance	Revenue	Operation and Maintenance*				(Basic Unit)	No. of Vehicles	Bridge Free
	\$	\$	\$	\$		\$	\$			
Port of Spain-International	n.a.	n.a.	n.a.							
Torres Bridge										
Estimote-Rainy River Bridge	56,762	32,883	106,290	73,406	1,331,000	1,278,715	219,159	Auto & Driv. 1.25		Dep. rate 1% Re-financing taking place
								Pass. .10		
Total	2,527,469	7,579,723	16,217,388	8,337,665	65,882,643	110,126,891	25,084,252			

1 - Not including depreciation

2 - At cost

3 - Annual interest on

Series A at 5%

Series B at 6%

4 - Minimum estimate of revenue, based on average toll of 12.6¢; accounting for a high proportion of commuters whose toll rate is 10¢.

* Available for capital charges.

Notes: Data used was the latest available, generally 1968 and 1967.

Figures may not add to totals due to rounding.

Date Due

DEC 19 '72



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